



## CITY OF LEESBURG ADMINISTRATIVE POLICY

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| <b>SUBJECT: Asset Management</b>  | <b>Version Date: 7/1/2009</b><br><b>DRAFT – Pending Review</b> |
| <b>EFFECTIVE DATE:</b><br><br><b>DATE OF LAST REVISION: August 22, 2005</b> | <b>APPROVED BY:</b><br><br><b>FINANCE DIRECTOR</b>             |

### A. PURPOSE:

The purpose of the property asset management program is to establish responsibility for property, provide for better utilization of property, facilitate the physical inventory, and comply with the policies of the City of Leesburg.

### B. SCOPE:

This policy is applicable to:

- all property, as defined in this policy, owned or controlled by the city,
- all employees of the city, and
- all vendors who the city has delegated asset management responsibilities.

### C. PROCEDURES/FORMS:

The Finance Director is responsible for implementing the procedures and the creation of the accompanying forms to be used by City of Leesburg personnel.

The procedures and forms associated with this policy can be found on the City of Leesburg intranet website: <http://leesweb3/intranet/accounting/forms.aspx>

### D. REFERENCES:

Specific authority Florida Statute Section 274.02

Florida Administrative Code 69I-73.006 Inventory of Property:  
<https://www.flrules.org/gateway/RuleNo.asp?ID=69I-73.006>

**D. DEFINITIONS:**

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| Acquisition Date           | Standard purchases: The purchase order payment approval date.<br>P-Card purchases: The date of the purchase.<br>Other procurement methods: The date the payment was approved.<br>Gifts or transferred property: The date the Property Administrator is notified of the property being received into the department.  |
| Acquisition Method – Codes | PURCH – Purchased<br>CONT – Contribution<br>CONSTR – Constructed<br>TR - Transfer (within the City)  |
| Annual Property Inventory  | A process of physically locating all active Asset Management Property file items. The inventory process also includes documenting any property items that are found that are not listed in the Asset Management system and recording any changes in location and/or condition of property.   |
| Attractive Items           | Attractive items are inventoried by IT and controlled as property. Examples are: <ul style="list-style-type: none"> <li>wireless mobile devices, Personal Digital Assistants (PDA's), projectors, scanners, tools, toolsets, printers, and fax machine, and all cameras, radios, personal computers and laptops, regardless of cost.</li> </ul>  |
| Warehouse Address          | The central delivery point for all surplus property being delivered to a Purchasing Department office is:<br><br>Central Warehouse<br>Joe Tardugno Municipal<br>Operations Center<br>2010 Griffin Road<br>Leesburg, FL 34748   |
| Condition                  | The condition of property is identified as one of the following:<br>1-new 2-good 3-fair 4-scrap 5-damaged  |
| Cost                       | The original cost reflected in dollars and cents to include the total of the following: <ul style="list-style-type: none"> <li>+ purchase price/ book value</li> <li>+ installation costs</li> <li>+ freight charges</li> <li>- <u>cash, commercial or volume discounts.</u></li> <li>= original cost</li> </ul> <p>The cost or book value of property that is donated to the department will be submitted by the donor and/or obtained from proper authority.</p> |
| Custodian – Primary        | The director of the department is the primary custodian responsible for the supervision and control of the property in his or her custody.   |
| Custodian – Secondary      | The primary custodian may delegate to persons under his or her supervision the role of secondary custodian. The secondary custodian is responsible for the use and immediate control of property under his or her supervision. In most cases the secondary custodians are division managers.   |
| Custodian Delegate         | Custodian delegates are persons designated by a secondary custodian and are referred to in this policy and associated procedures as "delegate." Each delegate is associated with one or more division codes.   |
| Department                 | The department indicates the expense account number charged with the cost of the item upon acquisition   |
| Document Number            | Designates the invoice number on which payment for the item was made. A document number may not be available for items discovered and added to the inventory during a physical inventory. Items donated to the department will not have a document number.   |
| Inventory Date             | Indicates the date of the last physical inventory of the item.   |

## COL Asset Management Policy

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| Item Serial Number                                      | Refers to a manufacturer's serial number and will be entered in the Asset Management File if present on the property item.   |
| Account number  | Fourteen (14) digit numbers which are established by the City of Leesburg Finance Dept. within the Asset Management system. The format of the number is 999-9999-999-99-99 and identifies the following:<br>Pos. 1,2, & 3 - represent the fund,<br>Pos. 4,5,6,7 - usually represent department & division<br>Pos. 8,9,&10 - usually represent a basic activity & sub activity<br>Pos. 11 & 12 - usually represent an element<br>Pos. 13 & 14 – usually represent an object if assigned   |
| Property  | Property, as used in this policy, refers to capital or fixed assets and is further defined as land, buildings, equipment, fixtures and other tangible personal property of a non-consumable and non-expendable nature, which meets the following conditions:<br><ol style="list-style-type: none"> <li>1. the value or cost of an asset is \$5,000.00 or more and has a normal life expectancy of one year or more,</li> <li>2. attractive items such as wireless mobile devices, personal digital assistants (PDA's), projectors, scanners, tools, and printers, all digital cameras, radios, personal computers, and laptops, regardless of cost.</li> </ol> <p>On occasion, the primary custodian or finance director may designate specific items to be inventoried even though they do not meet the \$5,000.00 criteria. These items will be carried in the system but not subject to depreciation.</p> |
| Property Inventory Decal <u>with</u> Asset Id Number    | A 1" x 2 5/8" white vinyl adhesive decal imprinted with a unique number and titled "City of Leesburg." Items with these tags are recorded in the Asset Management File.  |
| Property Inventory Decal <u>without</u> Asset Id number | A 1" x 2 5/8" white vinyl adhesive decal imprinted with "City of Leesburg." These tags do not contain a unique number. Items with these tags are not recorded in the Asset Management File but may be inventoried.   |
| Asset Id/Property Inventory Number                      | A unique number used to identify property that is usually affixed to the property item by way of an adhesive decal or a tag. The property inventory number is the primary identifier for each property item in the Asset Management File.  |
| Special Property Inventory                              | An inventory of all, or a portion, of the department's property inventory performed at a time other than the annual inventory period.  |
| Surplus Property  | Property that is no longer useful or needed by the department becomes surplus property.  |
| Tangible Property                                       | Refer to the definition for "Property."  |

**E. STATEMENT OF POLICY**

It is the responsibility of the primary custodian to maintain inventory and control of the city's property. These activities include:

- acquisition of property (identification and value),
- property's account number (ownership information),
- property's physical location (movement activity),
- property's condition,
- property disposal, and
- physical inventories.

All capital assets owned and managed by the city shall be recorded in the Asset Management File.

**F. RESPONSIBILITIES**

The director/department head is the **primary custodian** of the department's property and delegates in writing his or her responsibilities to secondary custodians. Secondary custodians are usually, but not always, the managers of a division and their areas of responsibilities are identified by division codes.

**Secondary custodians** appoint custodian delegates within their respective division. Each time there is a change in delegate, the secondary custodian is responsible for advising the property administrator.

**Upon appointment as a custodian delegate** (referred to as delegate), the delegate duties and responsibilities as defined in this policy and corresponding procedures become a part of the delegate's position description. Delegates will be assigned by department code(s) and are responsible for the inventory and control of property within their assigned division code(s). Delegates are responsible for: knowing the location of all property in their inventory, assuring that property is reasonably secure from possible theft and other hazards, assuring that property is being used in the best interest of the department, reporting changes in property's location or condition, providing the required documentation for property that is purchased, is to be disposed, is demolished, lost or stolen, and conducting inventories annually and upon request.

**Employees** are responsible for and should be diligent in caring for City property in their care, control, and custody and should provide reasonable safeguards to secure it. Employees shall not convert City property to their private use or have any claim to City property. Employees are responsible for immediately notifying their delegate of any changes in property within their control and workspace. This includes the movement, disappearance, and condition of property. Employees are responsible for completing the appropriate paperwork when property is removed from the department. Employees are responsible for notifying their delegate or the primary custodian when property is missing, stolen, or no longer working properly.

The **property administrator** or purchasing manager, is the property coordinator for the City of Leesburg and will maintain adequate records, formulate plans, issue detailed procedures for property accountability, management, inventory, and control, with the approval of the Finance Director. For the purpose of maintaining sound internal controls, the property administrator cannot be a delegate but can participate in the taking of physical inventory. The property administrator should never be provided access to update property accounting records in Asset Management. The property administrator is responsible for ensuring that an annual inventory is performed.

The **property accountant**, organizationally located within the City of Leesburg accounting department is responsible for maintaining the Asset Management File. The property accountant will maintain control and accountability of the numbered property inventory tags and will participate in the taking of physical inventory.

#### **G. PROPERTY ACQUISITION**

Property purchased over \$5,000.00 is considered a capital asset. The classification of a capital asset includes land, buildings, improvements other than buildings (IOTB), equipment, and vehicles. An individual piece of equipment or a vehicle with a total cost of over \$5,000.00, to place it into service is considered capital. An item is considered an IOTB if it is over \$5,000.00 but not a normal repair or maintenance of an existing structure. This item must also extend the useful life of the structure. If it does not meet these criteria, it will be classified as maintenance and repair and will not be included in the fixed asset system.

Purchase orders and invoices with an account code that has an element number beginning xxx-xxxx-xxx.61-xx through 66-xx, will automatically update to the asset pending file when these items are received into the system. Once the appropriate documentation is received in the finance department, the property accountant will process the pending items into the Asset Management File. It is the responsibility of the individual that is signing for the purchase to ensure the property accountant is made aware of the new property items acquired by departments. The primary custodian or his/her designee is to ensure the property accountant is made aware of the new capital assets acquired in all departments by filing the proper forms.

All property by donation and forfeiture must be reported to the purchasing manager upon formal acceptance. Donated and transferred property will be given an inventory number which will be affixed to the item according to procedures. The purchasing manager/property administrator will be responsible for notifying the property accountant of the donations or transfers.

#### **H. PROPERTY IDENTIFICATION**

Each property item will be assigned a property inventory number which is permanently affixed to it according to procedures. Any property item whose value or utility would be significantly impaired by the attachment or inscription of the property identification number is exempt from the requirement for physical marking. A request for exemption must be approved by the property administrator. The property administrator must ensure that the department's property records contain sufficient descriptive data to permit positive identification of such items.

**I. PROPERTY INVENTORIES**

An annual inventory of property is required. It is the responsibility of the incoming custodian or delegate to satisfy him or her self that all items of property (as recorded in Asset Management) are present and in good condition before accepting responsibility for property. The condition of all property will be notated during each annual inventory.

The results of the inventory will be updated in Asset Management and a "Property Inventory Summary Report" will be provided to the primary custodian. During the process of the inventory, and at any other time, if property is found to be missing or in need of disposal, the appropriate documentation and procedures should be followed prior to the property being removed from the Asset Management File.

**J. TRANSFER OR MOVEMENT OF PROPERTY**

Property that is moved from its recorded department or location to another department or location due to travel, in use off site, on loan or transferred to another division will be recorded by following the "Transferred/Moved" procedures and completing the proper forms.

**K. DISPOSAL OF SURPLUS PROPERTY**

Property that is requested to be removed from the department's inventory will follow the "Disposal of Property" procedures. The primary custodian will complete disposal of asset form, and the purchasing manager will review and approve or disapprove all disposal requests. Once approved the Asset/Property Tracking Form is sent to the property accountant. A sold and disposal report will be submitted by the property administrator the City Manager on a quarterly basis. Donations of surplus property to non-profit or 501(c) 3 organizations must go through the property administrator and City Manager for approval.

Property identification numbers affixed to surplus property should only be removed by the property administrator with the approval of the Finance Director or his/her delegate

**L. DOCUMENTATION OF LOST OR STOLEN PROPERTY**

Property that is missing, stolen, or damaged must be reported immediately (on the day of discovery) by following the "Lost or Stolen Property" procedures under the "Disposal of Property" section. Any item determined to be stolen must have a police report attached to the stolen property form.

